

8/13/09

The following document was provided by Pete Parkinson, Regional Targets Advisory Committee (RTAC) member, for consideration by the committee.

Comments on Social Equity Discussion from Pete Parkinson

Fellow RTAC Members,

Thank you for holding over this important discussion. Unfortunately I cannot attend the August 18 meeting, but I've read Mike Rawson's thoughtful paper and listened to your discussion at the end of the August 5 meeting, and offer these comments on the issue.

The Chairman articulated two consensus points at the end of the discussion:

1. Social equity considerations should be part of the target setting process; and,
2. Additional research is needed on the correlation between affordable housing production and GhG reduction.

I am in complete agreement about the need for additional research and I also agree that social equity (including housing affordability and the other equity concerns mentioned during the discussion) *must* be a consideration in meeting SB 375's goal to reduce GhG produced by passenger vehicles. In fact, SB 375 already addresses some social equity issues by linking the housing element to the regional transportation plan and by adding a number of new protections to the housing element process. These are summarized in the points below.

1. Introduces a process link to transportation funding decisions. In the past, the RHNA and the RTP were separate processes conducted at separate times. SB 375 links these two in time and purpose, thereby strengthening the link between housing distribution and transportation funding. Thus, under the new system, the reward of transportation funding is more likely to follow the responsibility of planning for new housing, and in particular, affordable housing.
2. Requires that the SCS-APS must consider the state housing goals specified in Sections 65580 and 65581 of the housing element law. Thus, concerns about housing affordability must be addressed when developing the SCS.
3. Introduces a jobs-housing balance requirement. SB 375 inserted a new provision into the housing element law that for the first time requires the housing number assigned to the region account for the number of jobs created in the region. The previous distribution was based on population projections, which allowed some of the allocations to "leak" over to other regions. The new methodology will help assure that more housing is planned for in those regions that have historically had more jobs than housing. As a result, more housing, including affordable housing, should be located near jobs in these areas.
4. Includes a CEQA streamlining provision that will assist affordable housing projects. The streamlining for transit priority projects applies only to higher density projects, which under housing element law are sites considered most suitable for affordable housing. This will have the effect of encouraging

affordable housing because more sites will have a zoning designation that is consistent with the needs of affordable housing developers. Moreover, these locations will be near transit so that residents can take full advantage of public transportation options.

5. Adds a new zoning certainty time requirement in affordable housing site identification. Affordable sites will be available sooner under the three-year zoning timeline incorporated into SB 375. Moreover, SB 375 requires that affordable housing developers seeking to develop sites that are identified in the housing element for affordable housing, but not yet zoned within the three-year timeline, are entitled to by-right approval with extremely limited discretion for the local government in the overall approval process.
6. Provides more transparency and input. SB 375 also gives more transparency and emphasis to housing element programs because it requires an annual hearing and Housing Element program efforts must have a timeline attached to them. It is in the program elements of individual jurisdictions where issues like displacement will most effectively be addressed since MPOs have very little authority in this area.

While SB 375 clearly addresses housing equity issues as described above, I am not aware of a methodological way to include social equity in *the target setting process*, nor do I believe that target setting is the appropriate point in the overall process to address the issue. The outcome we want to achieve is not a *target* that somehow incorporates social equity considerations, but a land use and transportation planning future that not only reduces GhGs, but actually improves social equity.

Mike's paper makes a logical case for a correlation between improving housing affordability and achieving GhG reduction. I agree that a region's ability to "perform" on social equity measures—like the delivery of strategically located affordable housing or anti-displacement efforts—has an effect on the level of GhG reduction that is achievable. And of course "achievable" is one of the core characteristics of the target. The question is, can we quantify that effect in a way that translates into a per capita metric for GhG reduction? I didn't hear anyone in the August 5 discussion suggest that this was possible in the relatively short time frame available for CARB's target setting process in this first round.

More to the point, I don't know that setting the targets lower or higher will have any predictable effect on a region's actions relative to affordable housing and other social equity concerns. One of Mike's key points is that steps like increasing housing affordability in the right locations and implementing anti-displacement strategies could increase the amount of GhG reduction that is otherwise accomplished by smart-growth development. I agree. It follows, then, that a "low" target will likely have little effect on a region's approach to housing equity (aside from what is otherwise required in SB 375); there is little or no incentive to focus on housing strategies if the target is relatively easy to meet. On the other hand, setting the target "high" may indirectly incentivize regions to

use every strategy at their disposal to meet the target, including affordable housing strategies, but there is no guarantee that this will occur, nor any specific reward for doing so.

I'd rather see an approach that more directly encourages MPOs to include affordable housing strategies in their SCS as a way of helping to meet their GhG reduction target. This can be accomplished in a way that does not expand the mandates that are already in SB 375 and state housing element law. Specifically, I suggest that the RTAC make the following recommendations to CARB:

1. As a matter of general principle, the implementation of SB 375 at the state, regional and local levels should seek to maximize the social equity co-benefits of reducing GhG through smart land use and transportation planning. Further, implementation should specifically avoid adverse social equity impacts such as displacement of low income residents.
2. Additional research is needed to quantify the correlation between GhG reduction and measures that improve social equity, including but not limited to improving housing affordability and avoiding displacement in smart growth areas. The results of this research should be applied to future modeling and target setting efforts.
3. In reviewing the technical methodologies proposed by the MPOs pursuant to section 65080(b)(2)(I)(i) and in reviewing whether the SCS or APS adopted by the MPO meets the target pursuant to section 65080(b)(2)(I)(ii), CARB should recognize the GhG reduction benefits of technical methodologies and SCS/APS that explicitly account for the role of improving housing affordability and avoiding displacement in meeting the GhG reduction target.

This approach gives MPOs flexibility in how they choose to address this issue, but ensures that if they do choose to make that explicit link between housing affordability and GhG reduction, CARB will recognize those efforts. The menu of factors on page 6 of Mike's paper provides a number of ways to approach this issue, to the extent that these factors can be correlated with GhG reduction, but should not be considered an exclusive or mandatory list.

Finally, I realize that the third recommendation above goes beyond RTAC's specific charge of recommending factors and methodologies for setting the target, but the issue is clearly an important one for RTAC members such that I believe the recommendation is appropriate.